

INFORMATION REPORT

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SUBJECT DDR Trade Agreements Signed Without Knowledge of MIAM Officials

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1. An atmosphere of general disillusionment and despair is reigning among the senior officials of the DDR Ministry of Foreign Trade as a result of the manner in which trade agreements were signed with Poland, Czechoslovakia, Bulgaria, and Hungary during June 1950. They feel that the whole initiative for signing trade agreements has been taken over by the SED by whom they have not been consulted at any stage.
2. In the case of the agreement with Poland, which was announced on 8 July, none of the heads of the MIAM were even informed that the Minister, Georg Handke, had left for Warsaw. The agreement signed by Garter-Gilman with Bulgaria (announced in the Berlin-licensed press on 20 June) was drawn up without reference to the requirements of the DDR. Not a single responsible MIAM official was aware of the terms of the agreement until it was signed. In disgust, Makower, head of the Trade Policy Office (Handelspolitische Abteilung), feigned illness for three days.
3. On 28 June, the MIAM proposals for a trade agreement with Rumania were, however, handed to Ulbricht. The MIAM negotiations had previously twice reached a deadlock with Rumania, but it was anticipated that a "blind" agreement would nevertheless be reached.

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4.

Comment: The following additional observations on the negotiations with the Poles may be of interest. They were made after the press announcement of the successful negotiations on trade and payments between the two countries: All the officials of MIAM were taken completely by surprise. It was generally felt that an agreement signed under these circumstances could have only disadvantageous results for the East German Republic, and that, for example, Poland would unload its unusable rolling mill products in return for valuable chemicals and optical instruments.

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The same remarks probably apply to the East German Republic/Bulgarian trade agreement, the signature of which was announced in the USSR-licensed press on 20 June. [redacted] the negotiations with Bulgaria had been temporarily shelved in favor of the more pressing need for a trade agreement with Rumania.

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